

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**WATER DIVISION
Water Advisory Branch**

**RESOLUTION NO. W-4196
June 8, 2000**

R E S O L U T I O N

**(RES. W-4196), ROLLING GREEN UTILITIES, INC.
(RGU), SEWER DIVISION. ORDER AUTHORIZING A
GENERAL RATE INCREASE IN SEWER RATES
PRODUCING \$7,224 OR 12.93% ADDITIONAL
ANNUAL SEWER REVENUE FOR TEST YEAR 1999.**

SUMMARY

By Draft Advice Letter accepted September 14, 1998, RGU requested an increase of \$25,779 or 56.7% in its rates for sewer service to recover increased expenses of operation, and to provide a 13.5% return on rate base. Res. W-4152, dated June 10, 1999, granted an increase in sewer service revenue of \$10,395 or 22.86% in response to the request. After review of additional information provided by RGU subsequent to Res. W-4152, this resolution grants an additional increase in sewer service revenue of \$7,224 or 12.93%. This increase will not result in a rate of return greater than last authorized for RGU.

BACKGROUND

RGU requested authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to increase rates for sewer service by \$25,779 per year or 56.7% in 1999. RGU presently serves 290 sewer connections.

RGU's current sewer rates became effective on June 15, 1999, pursuant to Commission Res. W-4152, which authorized a sewer rate increase of \$10,395 or 22.86%.

DISCUSSION

Subsequent to the sewer rate increase authorized by Res. W-4152, the utility provided additional written records of actual time spent by the RGU Owner-

Manager on water and sewer activities. After a review of this new material, the Water Advisory Branch agreed to increase its estimates for management salaries, and to make a small increase in the consultant's fee and payroll overheads. At the 13.5% rate of return authorized in Res. W-4152, the above expense increases result in an increase in sewer revenue of \$7,224 or 12.93%.

Branch reviewed RGU-S's tariff schedules and found that the following need to be updated: Rules 1, 5, 7, 9, 10, 11, 16, 17, 18, and 19, and Forms 2 and 3.

At the recommended rate, the monthly bill for a typical residential sewer customer in Rolling Green will increase from \$16.05 to \$18.13 by \$2.08 or 12.96%.

For commercial and industrial services the increase is from \$642.13 to \$725.20 by \$83.07 or 12.94%.

NOTICE AND PROTESTS

The increase granted in this resolution is an extension of the original draft advice letter accepted on September 14, 1998, and the increase authorized in Res. W-4152, dated June 10, 1999. Because the final revenue authorized in this resolution is less than the revenue requested in the original draft advice letter, a notice to customers for this increase was not required.

FINDINGS AND CONCLUSIONS

1. The Branch's recommended Summary of Earnings is reasonable and should be adopted.
2. The rates recommended by the Branch (Appendices A and B) are reasonable and should be authorized.
3. The quantities (Appendix C) used to develop Branch's recommendation are reasonable and should be adopted.
4. The rate increases proposed by the Branch are justified; the resulting rates are justified.
5. RGU-S should be ordered to update its Rules 1, 5, 7, 9, 10, 11, 16, 17, 18, and 19, and Forms 2 and 3.

IT IS ORDERED that:

1. Authority is granted under Public Utilities Code Section 454 for Rolling Green Utilities, Inc. – Sewer Division, to file an advice letter incorporating the Summary of Earnings and revised rate schedules attached to this resolution as Appendices A and B, respectively, and concurrently to cancel its present effective rate Schedules Nos. 1, General Residential Service, and 2, Commercial and Industrial Service. Its filing shall comply with General Order 96-A. The effective date of the revised schedules shall be five days after the date of filing.
2. Within 60 days after the effective date of this resolution, Rolling Green Utilities Company – Sewer shall file an advice letter updating its Rules 1, 5, 7, 9, 10, 11 16, 17, 18, and 19, and Forms 2 and 3.
3. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on June 8, 2000. The following Commissioners approved it:

WESLEY M. FRANKLIN
Executive Director

LORETTA M. LYNCH
President

HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
CARL W. WOOD

Commissioners

APPENDIX B
Sheet 1

Rolling Green Utilities, Inc.
Sewer Division

Schedule No. 1

GENERAL RESIDENTIAL SERVICE

APPLICABILITY

Applicable to all general residential service.

TERRITORY

Rolling Green Terrace Subdivision (Tracts 1, 2, 3, and 4) near the town of Big Pine, Inyo County.

RATES

Single – family residence..... \$18.13 (I)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

APPENDIX B
Sheet 2

Rolling Green Utilities, Inc.
Sewer Division

Schedule No. 2

COMMERCIAL AND INDUSTRIAL SERVICE

APPLICABILITY

Applicable to all Commercial and Industrial Service.

TERRITORY

Rolling Green Terrace Subdivision (Tracts 1, 2, 3, and 4) near the town of Big Pine, Inyo County.

RATES

	<u>Per Month</u>	
Sanitarium	\$725.20	(I)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

APPENDIX C

Rolling Green Utilities, Inc.
Sewer Division

ADOPTED QUANTITIES
Test Year 1999

<u>Expenses:</u>	<u>Per Year</u>
1. Purchased Power	None
2. Purchased Water	None
3. Payroll: Labor	None
4. Ad Valorem Taxes:	
Tax Rate	1.001216%
Assessed Value	\$59,342
Total Tax	\$ 594
5. Service Connections:	
Meter Connections	None
Flat Rate Connections	290
6. Local Franchise Rate	0.02%
Total Franchise Fee	\$ 1,117